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A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

AUGUST 1978

VOL. I NO. 9

LEGISLATIVE COUNCIL

MEETING

The Council held a meeting July 28 to discuss tentative plans for staffing of the standing committees during the next session and approved the preliminary budget request for the 1979-81 biennium. The next meeting of the Council will be held sometime during the latter part of August.

INTERIM COMMITTEES

WATER RIGHTS

The subcommittee on water rights held its final scheduled meeting on Saturday, August 5. Details of the committee's final recommendations will be available next month.

HUMAN SERVICES TO MEET AUG. 7 AND AUG. 24

The Human Services Interim Committee has changed the date of the hearing previously scheduled for July 28 to August 7 at 9:30 a.m. in the House chambers. The committee will be receiving testimony on proposed legislation that was outlined in the July Interim. The Committee will be holding its final meeting on Thursday, August 24 in the Governor's Reception Room. The agenda of the morning session includes: 1) a discussion of intergovernmental partnership presented by Wellington Webb, Principal Regional Official for HEW, Region VIII; 2) Federal responses to bills on reorganization; 3) a discussion of single client application forms - pros and cons, and 4) a discussion of cost allocation problems presented by Montana Association of Counties. The committee's final report and recommendations will be considered during the afternoon session.

INTERGOVERN- MENTAL RELATIONS TO BE DISCUSSED

SUBDIVISIONS

The Subcommittee on Subdivision Laws met for an extensive work session on June 30. Following presentation of testimony by the Missoula Freeholders Association, the subcommittee reviewed twelve bills covering a variety of issues including financing of subdivision services through various types of bonding; amending the Subdivision and Platting Act to change definitions and exemptions, provide summary review for certain subdivisions, to redefine the public interest criteria, and to modify the park dedication requirements. Other proposals would revise procedures for creation of SID's and RID's; expand the authority of local health officials in review of subdivisions and provide additional enforcement authority. Bills clarifying rural building code authority; and establishing a state construction program for school districts to minimize impacts from subdivisions were also reviewed. Although the subcommittee discussed the bills at length and made some modifications it did not make a final recommendation on any of them. The members hope to receive more public comment before adopting final recommendations. To date, public response on the bills has been very limited. All interested persons are encouraged to submit testimony on the bills as soon as possible. The subcommittee plans to hold a final two-day meeting in mid-September to adopt final recommendations.

FINAL MEETING - MID-SEPTEMBER

STATE LEGAL SERVICES AND ELECTION LAWS

The committee on state legal services and election laws was meeting as this newsletter was being prepared for mailing. Final proposals for reform of the way the state receives legal services and for a general revision of the state's election laws were considered. More specific information on the committee's proposals will be available next month.

EDUCATION & CULTURAL AFFAIRS

The final meeting of the Interim Subcommittee on Education will be Monday, August 21st. The meeting will be held in Rooms 405-406 of the State Capitol, Helena. The Subcommittee will make final recommendations on the vocational education governance study and the community college governance study. In addition, final recommendations will be developed for the historic records study, including the following topics: status, transfer of non-current records; legal status, Veterans' and Pioneers' Memorial Building; Report on HJR 45; Historic Preservation Program; status, Historical Society; Archival Network System; Antiquities Act.

ADMINISTRATIVE CODE COMMITTEE

MEETING TO
BE HELD
AUGUST 19

The Administrative Code Committee meeting tentatively scheduled for early August has been changed to August 19. Proposals for MAFIA amendments as summarized in the July Interim, will be discussed, and testimony will be received.

REVENUE OVERSIGHT COMMITTEE

TWO-DAY
MEETING HELD
JULY 21-22

The Revenue Oversight Committee held a two-day meeting in Helena, July 21-22 to begin formulating its recommendations to the 46th legislature. The Committee also heard a progress report on the coal tax challenge and other pending tax cases. At the request of the Attorney General and the Governor, the chairman appointed two members to a liaison committee, which will consult with the attorneys preparing the coal tax case.

The Committee requested that bills or further research on the following topics be prepared for final committee action at the next meeting: 1) a motor vehicle fee in lieu of the current property tax; 2) a broadened corporation license tax or net income tax on financial institutions in place of the existing bank shares tax; and 3) a registration fee to replace the present right of entry tax and to help reunite severed mineral rights with the surface ownership. The Committee is particularly concerned about the impact of these bills on local governments and has asked for research and revenue projections on various ways of distributing revenue collected under these potential taxes.

After considering much research data and testimony, the Committee voted to maintain the current taxes on timber and metal mines.

The committee also discussed numerous bills the Department of Revenue is proposing for the next session and requested additional research on several.

The next meeting will be held in mid-September.

COAL TAX OVERSIGHT COMMITTEE

MEETING HELD
JULY 14

The Coal Tax Oversight Committee held a meeting in Helena, July 14. The Attorney General appeared before the Committee to request that two members be appointed to a liaison committee to consult with the attorneys from the staffs of the Governor, Attorney General, and Department of Revenue who are preparing the coal tax defense. Progress reports on the DCA/State Lands coal impact study and the Alternative Energy Program were heard and discussed.

The Committee considered its study of how to invest the coal tax trust fund to aid young farmers and businessmen at some length. After much discussion, the Committee requested that bills embodying three major alternatives be drafted before the next meeting to facilitate committee discussion.

The Committee plans to meet again in mid-September.

MONTANA SALARY COMMISSION

SALARY
COMMISSION
TO MEET

A meeting of the Montana Salary Commission is tentatively set for August 18, 1978 in room 432, State Capitol, at 9:00 a.m. to review compensation for the judiciary and elected members of the legislative and executive branches. The commission will organize itself and discuss the duties and workloads of the offices concerned; the responsibilities commensurate with each office; the fringe benefits accorded elected officials; and the comparative salaries of elected officials in other states. State law requires a report to be ready for the legislature no later than November 15. The Legislative Council provides staff assistance to the commission.

ENVIRONMENTAL QUALITY COUNCIL

MAPS PROGRAM

A meeting was attended recently concerning

The Montana Air Pollution Study (MAES) program of the Department of Health and Environmental Sciences. This one million dollar study was funded by the 1977 Legislature for the purpose of determining a cause and effect relationship between air pollution and health. The study is gathering data, but it appears to be behind schedule. Several pieces of equipment have been ordered but not delivered. There is some question as to the amount of data being collected, whether it duplicates that data gathered by EPA, and whether the state should be in the research and data collection business.

SENATE/LEGISLATION
COMMITTEES

The business of land subdivision in Montana is booming and landowners see subdivision development as a means for acquiring a significant amount of cash. The Environmental Quality Council staff has prepared a brief report regarding the impacts of subdivisions and the related weaknesses of the Montana Environmental Policy Act (MEPA) towards these impacts. This report will be presented to the EQC on August 3, 1978.

GOVERNMENT
RELATIONS

The Montana Commission on Environmental Quality (MCEQ) has begun review of the new rules for the implementation of MEPA written by the EQC staff. Hopefully the MCEQ will finish its review so that a draft of the new rules can be released in the near future.

TOPOGRAPHIC
PLANS STUDIED

EQC recently attended a public meeting in Troy, Montana on ASARCO's proposed copper/silver mine. The meeting was held by the Department of State Lands to obtain public comment on their Draft Environmental Impact Statement on the project. Public concerns were expressed about potential water quality problems, residential land developments in the Troy area, and a possible boom and bust cycle for the Troy economy mentioned in the document.

LEGISLATIVE AUDIT COMMITTEE

MEETING

The Legislative Audit Committee met on July 24, 1978, at the State Capitol and will meet again on August 31 and September 1, 1978.

REPORTS ISSUED

The Legislative Audit Committee received, reviewed, and filed the program audit

entitled: Report on Oil and Gas Tax and Royalty Collections and other aspects of Oil and Gas Regulation in Montana.

DRUG ABUSE

The committee voted to review the Alcohol and Drug Abuse Program at the Department of Institutions.

SUNSET AUDITS

Public hearings were held for the County Printing Board and the State Electrical Board.

REPORTS
AVAILABLE

Copies of the above are available from the Office of the Legislative Auditor, Room 135, Capitol Building, Helena, Montana 59601, Telephone: (406) 449-3122.

LEGISLATIVE FINANCE COMMITTEE

MEETING

The committee met on July 13 and 14 in the state capitol.

MEDICAID

The department of social and rehabilitation services presented a report on the medicaid funding deficiency. The department estimated that a supplemental appropriation of over \$7 million will be necessary this fiscal year to keep the program operating at present levels.

The committee instructed the fiscal analyst staff to work with representatives of the executive branch to develop cost-containment alternatives.

ALCOHOL
PROGRAM

The administrator of the alcohol program presented a progress report of the program to the committee. Committee members expressed concern that too many local programs had been established with the limited funds available.

PUBLIC
SCHOOL
FUNDING

The fiscal analyst staff presented a report on the outlook for public school finance. It now appears that a statewide deficiency levy of about two mills will be necessary this year.

For next biennium, if school budgets increased 6 percent and property taxes were held constant, approximately \$21.5 million added state funds would be needed. This increase would constitute nearly half of available new revenue.

Because of the obvious tight funding situation next biennium, the committee instructed the staff to develop various cost-containment options for presentation to the committee in the fall.

BUDGET
AMENDMENTS

The staff reported that the executive has approved spending of \$36.8 million above legislative appropriations and hired 481 full-time employees more than authorized by the legislature.

PRE-SESSION
BUDGET REVIEW

The committee determined to conduct the same pre-session budget review that was conducted before the 1977 session. A hearing will be scheduled each month beginning in September to discuss major budget issues.

All legislators and legislators-elect are invited to attend as many of these hearings as possible at their expense. An agenda for each meeting will be available prior to each hearing.

REPORTS
AVAILABLE

Please contact the legislative fiscal analyst's office, 449-2986, for copies of reports, minutes or further information of the items above.

